

Assembly Bill No. 1878

Passed the Assembly June 2, 2016

Chief Clerk of the Assembly

Passed the Senate August 18, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 21623 of the Government Code, relating to public employees' retirement, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1878, Jones-Sawyer. Public Employees' Retirement System: state or school members: postretirement death benefit.

The Public Employees' Retirement Law requires that, upon the death of any state or school member after retirement and while receiving a retirement allowance, the sum of \$2,000 be paid to the member's designated beneficiary, as specified. Existing law provides that the additional employer contributions required to fund this benefit be computed as a level percentage of member compensation, and these are deposited in the Public Employees' Retirement Fund, a continuously appropriated fund.

This bill would authorize the Board of Administration of the Public Employees' Retirement System, beginning on or after January 1, 2017, to adjust the death benefit amount following each actuarial valuation to reflect changes in the All Urban California Consumer Price Index, as specified.

By authorizing the board to increase contributions deposited in the Public Employees' Retirement Fund, this bill would make an appropriation.

Appropriation: yes.

The people of the State of California do enact as follows:

SECTION 1. Section 21623 of the Government Code is amended to read:

21623. (a) In lieu of benefits provided by Section 21620 or 21622, upon the death of any retired state or school member, after retirement and while receiving a retirement allowance from this system, there shall be paid to the beneficiary whom he or she shall nominate by written designation duly executed and filed with the board, the sum of two thousand dollars (\$2,000), to be provided from contributions by the employer.

(b) Beginning on or after January 1, 2017, the Board of Administration of the Public Employees' Retirement System may adjust the death benefit amount following each actuarial valuation to reflect changes in the All Urban California Consumer Price Index and adopt as a plan amendment any adjusted amount.

(c) For the purposes of this section, all contributions, liabilities, actuarial interest rates, and other valuation factors shall be determined on the basis of actuarial assumptions and methods that, in the aggregate, are reasonable and that, in combination, offer the actuary's best estimate of anticipated experience under this system.

(d) The additional employer contributions required under this section shall be computed as a level percentage of member compensation.

(e) This section shall apply to a school employer and a retired school member whose death after retirement occurs on or after January 1, 2001. This section shall not apply to any contracting agency or local member, except those contracting agencies that are school employers and those school districts or community college districts as defined in subdivision (i) of Section 20057.

Approved _____, 2016

Governor